



Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

REVIEWS AND NEW BOOKS

General Works, Theory and Its History

Outlines of Economics. By RICHARD T. ELY, THOMAS S. ADAMS, MAX O. LORENZ, and ALLYN A. YOUNG. Third revised edition. (New York: The Macmillan Company. 1916. Pp. xiii, 769. \$2.10.)

A thoroughgoing revision of this useful text has been made by the same editors who had charge of the second edition. "Professor Young has had general editorial supervision of the revision as a whole." The plan of the book, as well as the underlying theory is unchanged. A chapter on Labor Legislation has been added. The chapter on the Economic Activities of Municipalities has been omitted; that on the Relation of the State to Industry is missing, but a considerable part of its content is transferred to an earlier chapter. There is a new section on social insurance, also, and there are minor changes in the arrangement of chapters and parts of chapters. Not all of these changes commend themselves to the teacher. In the new text, for example, the chapter on wages is separated by two chapters from the concluding discussion of the theory of distribution, and the alternative theory of socialism is not met until three intervening chapters have been covered. From the pedagogical standpoint, the best plan in handling this difficult subject of distribution would seem to be to present it as a compact and interrelated whole, with all needed introductory matter in earlier, and all subsidiary and corollary material in later, chapters. There should be no diversion of student interest or dissipation of thought energy while this important theoretical discussion is before the class.

Praiseworthy efforts have been made to bring the text to date, account being taken of the new economic legislation and of industrial changes in the last eight years, as well as of the flood of new literature in governmental documents, reports of commissions, and the book output of the period. Examination of the changes made necessary by such developments amaze one by their all but ubiquitous frequency. Few subjects are untouched and while the rural credit associations law of July, 1916, has been included, there are later important developments which could not be incorporated; *e.g.*, the Adamson law and the new federal workmen's compensation act. It is literally true that such a text is in need of re-

vision before it ever reaches a class-room. The attempt to include such a press of new matter has resulted, frequently, in extreme compression. This is markedly true, for example, in the seven pages devoted to the newly included subject of social insurance (p. 587 *et seq.*). The difficult and important subjects of sickness, old-age, and unemployment insurance are handled in from twenty to thirty lines each. The paragraphs are models of compact statement, of the art of compressing much into few words and phrases. But can we rightfully expect large results from offering such paragraphs to college sophomores? May not a question be raised, in this connection, as to the position of the hard-pressed college instructor who has no such device as a joint board of editors to resort to in the face of the great volume of economic materials and developments? When syndicalism, for instance, must be treated in fourteen lines (p. 631) is it not time to discuss the overcrowded character of the course and text, and the desirability and possibility of relief? This could be attained by omission; by relegating some subjects to a preliminary semester's work; or by restricting the field of sophomore-year work and selecting a part of this superabundant material for the status of advanced work. "Rich diversity and spacious amplitude" have outgrown in their ceaseless expansion the possibilities of a one-year course.

Consideration of certain important omissions reinforces this query as to the propriety of revision of the field covered. I have found in the text no adequate discussion of the theory of the shorter hours movement, and the wage problem thus raised. Yet recent developments demand that every citizen understand it. There is no mention of the constitutional controversy in the minimum wage discussion, yet the delayed decision of the federal Supreme Court will soon arouse a flood of public discussion on the subject. There is no positive theoretical attack on the thorny subject of unemployment, an omission the more regrettable since it is stated to be an important socialistic point of attack (see p. 633) and since such discussion is needed as a basis for the discussion of unemployment insurance. Not to multiply illustrations unduly, there is no adequate consideration of the current development of scientific management (but see p. 117) with its relation to trade unions and to wages and profits. Yet this is a subject which an alert class will hardly allow an instructor to forget. And these all are subjects inherent in the theoretical analysis of

the current economic situation, which seems to be the essential business of an introductory course.

Changes in doctrine are relatively few. This is evidenced by the fact that the chapters on distribution are unchanged, except that profits receives a new treatment. Wages of management is handled as before, but the balance of such income becomes "pure profits" and is explained as due to the fact that "competition does not work perfectly" and that economic activity is not reduced to "sheer routine." There is an enlarged emphasis on subjective value also, the phrase "normal value" gives place to "normal price," and there are some changes in definition. A wished for change in the statement that rent, wages, and interest are "prices paid" is not granted us. Yet experience with the text shows that it makes unnecessary confusion. These incomes are more frequently "imputed" or "ascribed" than "paid." Space should be found to extend a cordial welcome to a bit of splendid and helpful exposition in the rewritten and much improved chapters on money. In the section headed The Mechanism of General Changes in Prices (p. 325), the student's attention is directed to the process by which the changes work out; he is taken into the banks, factories and markets, so to speak, and aided in thinking about what happens there. This is a method of exposition of which, for its stimulus to active thinking and its impress of reality, we cannot have too much. And to many teachers this section must come as a response to a felt need.

Certain controversial matter will arouse dissent and interfere with the acceptance of the text. This is true of the discussion (p. 508) of the admittedly controversial doctrine of the possibility of definitely apportioning railroad revenues. Those who have labored through the much vaunted "complete apportionment" in the Wisconsin case of *Buel v. C. M. and St. P. Railway*, will have good ground for feeling that state pride influenced the inclusion and support of the doctrine. Dissent may be expressed also to the statement (p. 632) that government ownership spells socialism. This unnecessarily prejudices the discussion of the desirability of government ownership. And few socialists allow that with the great inequality of incomes in government service and the maintenance of bondholders' rights, this can be called socialism. And again, it does not increase one's allegiance to the text to read the unrevised statement that the labor organization "is brother to the trust, akin to the combination, and thus not untainted with

monopoly. One of the most searching criticisms directed against the labor organization is that it exhibits all the evil tendencies of monopoly." Monopoly means control of prices through control of supply and the above stark statement accords ill with the discussion (p. 431) of the supply of labor. Even the employers' associations do not accuse the unions of controlling birth-rates and immigration streams and no lesser control can make them "brother to the trust." It is difficult also to make this statement accord with the sympathetic discussion (see p. 472) of the labor clauses of the Clayton anti-trust act. If the union "exhibits all the evil tendencies of monopoly" it might be expected that anti-trust laws would "throw a cloud" upon the movement. Yet there is implied dissent here. Finally in the discussion of the unearned increment (p. 422) are statements which ring strangely. The fact that "the increase in land values can be foreseen" and "taken into account and discounted," can hardly be expected to prove that "it can rarely be unearned." A spendthrift heir who foresees and trades on the approaching death of his parent hardly by that token deserves or earns his inheritance. Yet he may "translate it into present worth" and add it to his debt-incurring capacity. The phrasing is at least unfortunate as an offering for sophomore discrimination.

Experienced teachers of the text may find cause for regret that there has not been thoroughgoing revision and exorcism of the underlying revolutionary philosophy. The federal reserve legislation was not so much revolutionary as an adjustment of banking structure to the facts of industrial revolution. In workmen's compensation our wave of legislation was not the result of attention to European practice, nor yet of sheer intellectual consideration of human rights and abstract justice; it came because industrial evolution had changed the basic organization on which the older individualistic philosophy depended. Where, as on the farms, that basic organization persists, the older practice of individual responsibility persists. It is high time that this result of our historical economics were incorporated into current belief—into the everyday, customary apprehension of the American citizen. Which is to say that our sophomore economic students are entitled to know that changes in economic legislation are, and in the future will repeatedly become, essential because of progressive industrial evolution, by the necessity of adjusting our laws and social machinery to the enlarged areas of production and compe-

tition, to the greater density of population, to the increased complexity and diversity of classes. It is not a revolutionary change in social relations, nor yet a revised standard of justice that causes changes. It is rather the sensible and necessary fitting of the legislation to vast changes in industrial and social organization. And our texts in elementary economics should give the support of such plain and sensible teaching to the needed changes in railroad and labor laws, as well as in other fields. It should be added that in the new edition much gain has been made in this direction by minor revision and excision.

Few changes due specifically to the use of the text in college courses appear. The final chapter on the History of Economic Thought is presented, with slight changes, as Appendix A, displacing the slightly useful Statistics of Public Expenditures. And the old Appendix B with its lists of subjects and titles gives place to Suggestions for Students and Teachers, consisting very largely of a classified and well-considered bibliography. The meager index of the second edition is very much enlarged and correspondingly more helpful. The "references" appended to chapters have been revised and account taken of recent literature. But the lists of questions are often unchanged or are shortened. This is surprising considering the large output of exercise books and student manuals in economics. Moreover, in at least three universities the lists in question have been tried and found not serviceable. They frequently demand use of unavailable references, since the general class is large and the minimum amount of exercise and problem material based directly on the text is included. It would seem that student manual literature impressed the authors rather less than any similar volume of literature in which they might have been expected to evince interest. Yet these questions can be made serviceable and the space thus filled could unquestionably be better used.

Final conclusions from reviewing this book are that the text while maintaining its identity has yet grown not in size only but in character and maturity; that it has been successful in including a vast amount of new material, in taking account of recent developments, and in thoroughly revising all sections. If not up to date today, it is as near being so as we can expect in these days of rapid development. Criticisms are due to the inclusion of controversial matter; to the attempt to be all inclusive; to a strain of revolutionary philosophy; and to the fact that the text

is written from the standpoint of the subject and of scholarship rather than with an eye single to the student and the class-room.

CHARLES E. PERSONS.

Washington University.

Current Economic Problems. A Series of Readings in the Control of Industrial Development. Edited by WALTON HALE HAMILTON. (Chicago: The University of Chicago Press. 1915. Pp. xxxix, 789. \$2.75.)

Exercises in Current Economics. By WALTON HALE HAMILTON. (Chicago: The University of Chicago Press. 1916. Pp. xii, 105. \$.50.)

These *Readings*, and the *Exercises* which Professor Hamilton has prepared to be used with them, reflect unmistakably the idea that the inductive method is the best one to use in the teaching of economics. Two questions assert their right to consideration, at the outset, in any judgment of the book. First, Is the inductive method, alone, without the use of any text except a book of readings (backed up by printed problems and questions), the most economical and effective method? and secondly, granting that it may be, Is this book, in the hands of the average teacher, likely to be a suitable instrument and medium of instruction?

The reviewer is torn between admiration of Professor Hamilton's industry and his ferret-like power to smell out stimulating passages in the most obscure byways of economic literature—and some that is not economic—and a feeling that somehow this industry and the undoubted keen analytical power behind it would have been turned to better advantage had they been directed to the production of an original book. Professor Hamilton, under a natural, but perhaps extreme, reaction against the conventional methods of economics instruction, has gathered together 382 selections, varying in length from a few lines to a very few pages (the average length is $2 \frac{1}{3}$ pages), divided into 96 subgroups, and 14 chapters. At the very start of his introduction, he raises the old question, but certainly one which is philosophically and practically fundamental to any constructive social science today, whether there are "problems" or only a "social problem." His *selections* deal with "problems"; scarcely, if at all, with the social, or economic, problem—perhaps because so little has been written in economic literature from the viewpoint that society is an organic whole. But *his own viewpoint* is that of the unity of